



## Press release

Ipsos: 2007 half-year results

### A record first-half

**Operating margin: 8.5% (+50 basis points)**  
**Adjusted net profit attributable to the Group: +36.7% to €23.3 million**

**Paris, 18 September 2007.** In the first half of 2007, Ipsos generated sales of €443.1 million, up 8.7% compared to the year-earlier period, despite a negative currency effect of 3.7% due mainly to the sharp decline in the dollar against the euro.

This growth is mainly due to strong organic growth of 10% as well as to the 2.4% contribution of acquisitions in Latin America and Turkey.

During the period, Ipsos grew faster than each of its competitors and almost twice as fast as the sector average.

For the first time, Ipsos also reports an operating margin in line with the average operating margin of its main international peers.

(€million)	H1 2007	H1 2006	Change	Full-year 2006
<b>Revenue</b>	<b>443.1</b>	<b>407.7</b>	<b>+8.7%</b>	<b>857.3</b>
<b>Gross profit</b> <i>Gross margin</i>	<b>265.7</b> 60.0%	<b>243.0</b> 59.6%	<b>+9.3%</b>	<b>513.3</b>
<b>Operating margin</b> <i>Operating margin / revenue</i> <i>Operating profit / gross profit</i>	<b>37.8</b> 8.5% 14.2%	<b>32.7</b> 8.0% 13.5%	<b>+15.5%</b>	<b>79.8</b> 9.3%
<b>Adjusted net profit*</b> <b>(attributable to the Group)</b>	<b>23.3</b>	<b>17,1</b>	<b>+36,7%</b>	<b>48.2</b>
<b>Net profit (attributable to the Group)</b>	<b>19.6</b>	<b>14.3</b>	<b>+37.1%</b>	<b>39.5</b>

\* Adjusted net profit is calculated before IFRS 2-related non-monetary items (share-based payments), before the amortisation of acquisition-related intangible assets (customer relationships), before deferred tax related to goodwill (on which amortisation is tax-deductible in some countries), and before other non-ordinary income and expenses.

**Profitability. The gross margin**, which is calculated by deducting contract-related direct external costs from revenues, continued to rise to 60% from 59.6% in the year-earlier period. It reflects the capacity of research teams to maintain solid pricing levels, and the positive impact of the ongoing transition to online research.



**Operating margin** grew faster than revenues and gross profit due to tight control over administrative expenses. The operating margin is 8.5% of consolidated sales, 50 basis points higher than in the previous half-year period.

**Finance costs** were flat at €5.7 million compared to H1 2006, due to slightly lower gearing and the limited impact of higher interest rates, since part of debt is in fixed-rate instruments.

**Adjusted net profit (attributable to the Group)** improved significantly, up 36.7% to €23.3 million. Adjusted net earnings per share amounted to €0.73 in the first half.

**Financial structure.** Shareholders' equity came to €458 million and net debt totalled €200 million at 30 June 2007. Gearing decreased to 43.6%, from 49% in the year-earlier period due to strong cash flow generation over the past twelve months, which was used to finance acquisitions, notably Apoyo, the Peruvian leader in research, and KMG, Turkey's second-largest research firm.

#### **Ipsos' strategy and organisation**

In 2007, Ipsos will work with over 5,000 clients and execute nearly 70,000 contracts. This highly diversified client basis is a definite strength. For optimal management of this client base, the Group must pursue a number of objectives that will enable Ipsos to continue its development. Preparations are nearly complete for the Fresh Impetus plan, launched in February 2006. The aim is to make Ipsos the preferred research company of its clients in its areas of expertise.

Through Fresh Impetus, Ipsos expects to maintain strong annual growth of about 15% through 2011, with at least half generated through organic growth. The plan also targets an operating margin of 12% at the end of the period.

The philosophy of the Fresh Impetus plan is to bring Ipsos teams even closer to clients, to encourage innovation, an entrepreneurial spirit and operational efficiency while respecting the specialisation strategy that Ipsos has enacted over the past decade.

**Outlook 2007.** At the end of August, organic growth of firm orders was around 10% compared to the same period last year. This performance demonstrates yet again that companies and institutions continue to have a strong thirst for information, and that Ipsos is well positioned to meet this need through its areas of specialisation and through its presence in a growing number of regions serving its broad client base.

Ipsos has the financial resources, operating platform and research teams necessary to attain its 2007 targets: organic growth of at least 9% and a higher operating margin than in 2006.

Ipsos has a plan and the determination to sustain long-term growth. The Group's size, financial and professional resources, experience, close client relations, recent gains and reputation are all guarantees that the Group can look to the years ahead with confidence, despite the current macroeconomic turmoil.

**Presentation of the first-half 2007 business report and results  
as well as a complete brochure covering the consolidated financial statements  
will be available 19 September on the Group's website: [www.ipsos.com](http://www.ipsos.com).**

**Ipsos announces separately today the acquisition of the South African company Markinor.**



## Consolidated income statement

### First half to 30 June 2007

In thousands of euros	30/06/2007	30/06/2006	31/12/2006
<b>Revenue</b>	<b>443 067</b>	<b>407 733</b>	<b>857 311</b>
Direct costs	(177 392)	(164 689)	(343 982)
<b>Gross profit</b>	<b>265 675</b>	<b>243 044</b>	<b>513 329</b>
<i>Gross profit/revenue</i>	<i>60,0%</i>	<i>59,6%</i>	<i>59,9%</i>
Payroll - excluding share based payments	(161 336)	(148 073)	(306 348)
Payroll - share based payments *	(1 513)	( 655)	(2 193)
General operating expenses	(63 666)	(60 131)	(122 326)
Other operating income and expense	(1 352)	(1 460)	(2 647)
<b>Operating margin</b>	<b>37 808</b>	<b>32 725</b>	<b>79 815</b>
<i>Operating margin/revenue</i>	<i>8,5%</i>	<i>8,0%</i>	<i>9,3%</i>
Amortisation of additional intangibles identified on acquisitions *	( 309)	( 307)	( 616)
Other non operating income and expense *	( 246)	-	(2 206)
Income from associates	73	20	119
Operating profit	37 326	32 438	77 112
Finance costs	(5 722)	(5 771)	(11 303)
Other financial income and expense	1 374	(1 293)	( 332)
Profit before tax	32 978	25 374	65 477
Income tax – excluding deferred tax on goodwill	(9 321)	(6 470)	(18 385)
Income tax – deferred tax on goodwill *	(1 715)	(1 848)	(3 618)
Income tax	(11 036)	(8 318)	(22 003)
<i>Profit before tax/income tax</i>	<i>-33,5%</i>	<i>-32,8%</i>	<i>-33,6%</i>
Net profit	21 942	17 056	43 474
Attributable to the Group	19 559	14 266	39 543
Attributable to Minority interests	2 383	2 790	3 931
Earnings per share (in euros) – Basic	0,61	0,45	1,25
Earnings per share (in euros) – Diluted	0,60	0,44	1,21
Adjusted net profit*	25 725	19 866	52 107
<b>Attributable to the Group</b>	<b>23 342</b>	<b>17 076</b>	<b>48 176</b>
Attributable to Minority interests	2 383	2 790	3 931
Adjusted earnings per share (in euros) – Basic	0,73	0,54	1,52
Adjusted earnings per share (in euros) – Diluted	0,71	0,52	1,48

Consolidated balance sheetFirst half to 30 June 2007

In thousands of euros	30/06/2007	31/12/2006
<b>ASSETS</b>		
Goodwill	576 240	559 655
Intangible assets	26 392	23 931
Property, plant and equipment	27 057	26 422
Interests in associates	5 855	6 651
Other non-current financial assets	4 497	2 844
Deferred tax assets	11 511	10 557
<b>Total non-current assets</b>	<b>651 552</b>	<b>630 060</b>
Trade receivables	291 283	273 539
Current tax	4 492	4 932
Other current assets	37 009	36 584
Derivative financial instruments	79	-
Cash and cash equivalents	63 212	63 596
<b>Total current assets</b>	<b>396 075</b>	<b>378 651</b>
<b>TOTAL ASSETS</b>	<b>1 047 627</b>	<b>1 008 711</b>

In thousands of euros	30/06/2007	31/12/2006
<b>LIABILITIES</b>		
Share capital	8 538	8 504
Share premium	340 907	338 927
Own shares	(36 235)	(38 589)
Other reserves	107 595	75 682
Foreign currency translation reserve	12 116	6 927
Net profit	19 559	39 543
<b>Shareholders' equity – attributable to the Group</b>	<b>452 480</b>	<b>430 994</b>
Minority interests	5 906	5 165
<b>Total shareholders' equity</b>	<b>458 386</b>	<b>436 159</b>
Long term financial debt (more than 1 year)	239 807	237 406
Non-current provisions	8 932	9 206
Deferred tax liabilities	28 550	27 803
Other non-current liabilities	35 120	42 927
<b>Total non-current liabilities</b>	<b>312 409</b>	<b>317 342</b>
Trade payables	133 527	132 173
Long term financial debt (less than 1 year)	23 440	17 486
Current tax liabilities	9 962	5 520
Current provisions	1 571	1 587
Other current liabilities	108 332	98 444
<b>Total current liabilities</b>	<b>276 832</b>	<b>255 210</b>
<b>TOTAL LIABILITIES</b>	<b>1 047 627</b>	<b>1 008 711</b>

Cash flow statementsFirst half to 30 June 2007

In thousands of euros	30/06/2007	30/06/2006	31/12/2006
<b>OPERATING ACTIVITIES</b>			
<b>NET PROFIT</b>	<b>21 942</b>	<b>17 056</b>	<b>43 474</b>
<b>Adjustments to reconcile net profit to cash flow</b>			
Depreciation and depreciation of fixed assets	6 043	6 234	12 802
Losses/(gains) on asset disposals	(360)	10	(552)
Movement in provisions	(903)	(1 098)	(1 541)
Share-based payment expense	1 513	655	2 193
Other non cash income/(expenses)	(1 268)	633	(1 002)
Income from associates, net of dividends received	( 73)	36	( 63)
Finance costs	5 722	5 771	11 303
Income tax expense	11 036	8 318	22 003
<b>OPERATING CASH FLOW BEFORE WORKING CAPITAL, FINANCING AND TAX PAID</b>	<b>43 652</b>	<b>37 615</b>	<b>88 617</b>
<b>Change in working capital requirement</b>	<b>(18 095)</b>	<b>(26 503)</b>	<b>(16 962)</b>
<b>Interest paid</b>	<b>(5 962)</b>	<b>(6 244)</b>	<b>(11 151)</b>
<b>Income tax paid</b>	<b>(6 543)</b>	<b>(4 711)</b>	<b>(12 781)</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>13 052</b>	<b>157</b>	<b>47 723</b>
<b>INVESTMENT ACTIVITIES</b>			
Acquisitions of property, plant and equipment and intangible assets	(8 824)	(6 972)	(15 459)
Proceeds from disposals of property, plant and equipment and intangible assets	119	86	190
Acquisition of consolidated companies and business goodwill	(19 425)	(17 702)	(39 068)
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>(28 130)</b>	<b>(24 588)</b>	<b>(54 337)</b>
<b>FINANCING ACTIVITIES</b>			
Capital increase	2 014	1 378	2 137
Increase (decrease) in long-term borrowings	5 559	(2 475)	(1 684)
Increase/(decrease) in bank overdrafts and short-term debt	5 721	3 229	(121)
(Purchase)/proceeds of own shares	1 997	-	363
Dividends paid to parent-company shareholders	-	-	(8 218)
Dividends paid to minority shareholders of consolidated companies	(683)	(1 261)	(1 689)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>14 608</b>	<b>871</b>	<b>(9 212)</b>
<b>NET CASH FLOW</b>	<b>(470)</b>	<b>(23 560)</b>	<b>(15 826)</b>
Impact of foreign exchange rate movements	86	(1 431)	(2 740)
<b>CASH AT BEGINNING OF PERIOD</b>	<b>63 596</b>	<b>82 162</b>	<b>82 162</b>
<b>CASH AT END OF PERIOD</b>	<b>63 212</b>	<b>57 171</b>	<b>63 596</b>



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## Consolidated statement of changes in shareholder's equity

### First half to 30 June 2007

in thousands of euros	Share capital	Share premiums	Own shares	Other reserves	Net profit for the period	Translation adjustments	Shareholders' equity – attributable to the Group	Minority interests	Total shareholders' equity
<b>At 1 January 2006</b>	<b>8 466</b>	<b>336 829</b>	<b>(38 973)</b>	<b>51 492</b>	<b>30 370</b>	<b>22 370</b>	<b>410 554</b>	<b>3 968</b>	<b>414 522</b>
- Change in capital	26	1 352					1 378	174	<b>1 552</b>
- Consolidated net profit for the year					14 266		14 266	2 790	<b>17 056</b>
- Appropriation of prior-year earnings				30 370	(30 370)		-		-
- Dividends paid				(8 218)			(8 218)	(499)	<b>(8 717)</b>
- Change in translation adjustments						(8 300)	(8 300)	(760)	<b>(9 060)</b>
- Change in of scope of consolidation							-	(3 756)	<b>(3 756)</b>
- Impact of share buyout commitments							-	2 218	<b>2 218</b>
- Own shares			34	40			74		<b>74</b>
- Share-based payments taken directly to equity				655			655		<b>655</b>
- Other movements				124			124		<b>124</b>
<b>At 30 June 2006</b>	<b>8 492</b>	<b>338 181</b>	<b>(38 939)</b>	<b>74 463</b>	<b>14 266</b>	<b>14 070</b>	<b>410 533</b>	<b>4 135</b>	<b>414 668</b>
<b>At 1 January 2007</b>	<b>8 504</b>	<b>338 927</b>	<b>(38 589)</b>	<b>75 682</b>	<b>39 543</b>	<b>6 927</b>	<b>430 994</b>	<b>5 165</b>	<b>436 159</b>
- Change in capital	34	1 980					2 014	93	<b>2 107</b>
- Consolidated net profit for the year					19 559		19 559	2 383	<b>21 942</b>
- Appropriation of prior-year earnings				39 543	(39 543)		-		-
- Dividends paid				(9 526)			(9 526)	(557)	<b>(10 083)</b>
- Change in translation adjustments						5 189	5 189	(105)	<b>5 084</b>
- Change in of scope of consolidation							-	1 540	<b>1 540</b>
- Impact of share buyout commitments							-	(2 528)	<b>(2 528)</b>
- Own shares			2 354	255			2 609		<b>2 609</b>
- Share-based payments taken directly to equity				1 513			1 513		<b>1 513</b>
- Other movements				128			128	(85)	<b>43</b>
<b>At 30 June 2007</b>	<b>8 538</b>	<b>340 907</b>	<b>(36 235)</b>	<b>107 595</b>	<b>19 559</b>	<b>12 116</b>	<b>452 480</b>	<b>5 906</b>	<b>458 386</b>



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## **Nobody's unpredictable**

"Nobody's unpredictable" is the Ipsos signature.

*Our clients' clients are increasingly demanding.  
They change direction, change their views and preferences often and easily.  
We at Ipsos anticipate and meet those changes.  
We help our clients to understand their clients – and the world – just the way they are.*

Ipsos is listed on the Primary Market of the Paris Bourse.  
It is a constituent of the SBF 120, a member of the Next Prime segment  
and eligible for the Deferred Settlement System.

**ISIN FR0000073298, Reuters ISOS.PA, Bloomberg IPS:FP  
[www.ipsos.com](http://www.ipsos.com)**